

THE PRESIDENT'S MESSAGE

REPEAL IS STRONGLY URGED.

CONTINUED PURCHASE OF SILVER A DAN
GEROUS POLICY.

CAUSE OF THE PRESENT LACK OF BUSINESS
CONFIDENCE AND THE PREVAILING FI-
NANCIAL DISTRESS--ITS REPEAL
URGED, BUT NO SUBSTITUTE

FORM POSTPONED, BUT
NOT ABANDONED.

Washington, Aug. 8.—President Cleveland's anxiously awaited message on the silver question

is as follows:

To the Congress of the United States.

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress to the end that through a wise and patriotic exercise of the legislative

Our unfortunate financial plight is not the result of untoward events nor conditions related to our natural resources: nor is it traceable to any of the afflictions which frequently check National growth and prosperity. With plentiful crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distress and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened de-

are content keep in hand the money they are
usually anxious to loan, and those engaged in
legitimate business are surprised to find that the
securities they offer for loans, though heretofore
satisfactory, are no longer accepted. Values sur-
posed to be fixed are fast becoming conjectural,
and loss and failure have involved every branch
of business.

THE "SHERMAN ACT" HELD AT FAULT.

I believe these things are principally chargeable
to Congressional legislation touching the pur-
chase and coinage of silver by the General
Government.

This legislation is embodied in a statute passed
on the 11th day of July, 1890, which was the
culmination of much agitation on the subject
involved, and which may be considered a truce,
after a long struggle, between the advocates of
free silver coinage and those intending to be more
conservative.

Undoubtedly the monthly purchases by the Gov-
ernment of 4,500,000 ounces of silver, enforced
under that statute, were regarded by those in-
terested in silver production as a certain guarantee

lowing a spasmodic and slight rise, the price of silver began to fall after the passage of the act, and has since reached the lowest point ever known. This disappointing result has led to renewed and persistent effort in the direction of free silver coinage.

This law provides that in payment for the four million and five hundred thousand ounces of silver bullion which the Secretary of the Treasury is commanded to purchase monthly there shall be issued Treasury notes redeemable on demand in gold or silver coin, at the discretion of the Secretary of the Treasury, and that said notes may be reissued. It is, however, declared in the act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law." This declaration so controls the action of the Secretary of the Treasury as to prevent his exercising the discretion nominally

between gold and silver may be disturbed. Manifestly a refusal by the Secretary to pay these Treasury notes in gold, if demanded, would necessarily result in their discredit and depreciation as obligations payable only in silver, and would destroy the parity between the two metals by establishing a discrimination in favor of gold.

EXHAUSTION OF THE GOLD SUPPLY.

Up to the fifteenth day of July, 1893, these notes had been issued in payment of silver bullion purchases to the amount of more than one hundred and forty-seven millions of dollars.

The Treasury, many of the notes given in its purchase have been paid in gold. This is illustrated by the statement that between the first day of May, 1892, and the fifteenth day of July, 1893, the notes of this kind issued in payment for silver bullion amounted to a little more than thirty-four million dollars, and that during the same period there were forty-nine millions of dollars more paid by the Treasury in gold for the redemption of such notes.

The policy necessarily adopted of paying these notes in gold has not spared the gold reserve of one hundred millions of dollars long ago set aside by the Government for the redemption of other notes, for this fund has already been subjected to the payment of new obligations amounting to about one hundred and fifty millions of dollars on account of silver purchases, and has, as a consequence, for the first time since its creation been encroached upon.

We have thus made the depletion of our gold supply, and have tempted other and more approp-

part of which we have offered has not been reported is shown by the large amounts of gold which have been recently drawn from our Treasury and exported to increase the financial strength of foreign nations. The excess of exports of gold over its imports for the year ending June 30, 1893, amounted to more than eighty-seven and a half millions of dollars.

Between the first day of July, 1890, and the fifteenth day of July, 1893, the gold coin and bullion in our Treasury decreased more than one hundred and thirty-two millions of dollars, while during the same period the silver coin and bullion in the Treasury increased more than one hundred and forty-seven millions of dollars.

Unless Government bonds are to be constantly issued and sold to replenish our exhausted gold, until they are again exhausted, it is apparent that the operation of the silver purchase law now in force tends in the direction of the entire substitution of silver for the gold in the Government Treasury, and that this must be followed by the payment of all Government obligations in depreciated silver.

any, and the Government must fail in its established policy to maintain the two metals on a parity with each other. Given over to the exclusive use of a currency greatly depreciated so